

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



REC'D TN
REGULATORY AUTH.

460 James Robertson Parkway
Nashville, Tennessee 37243-0505
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August 4, 2000

OFFICE OF THE
EXECUTIVE SECRETARY

TRANSMITTED VIA FAX

(202) 955-9792 / ORIGINAL TO FOLLOW VIA U.S. MAIL

Mr. Michael Hazzard
Kelley Drye & Warren LLP
1200 19th Street, NW
Washington, DC 20036

RE: Valor Telecommunications CLEC of Tennessee, LLC (00-00681)

Dear Mr. Hazzard:

The Tennessee Regulatory Authority requests the following information regarding the Application of Valor Telecommunications CLEC of Tennessee, LLC ("Valor") for a Certificate of Public Convenience and Necessity to provide competing local telecommunications services in the state of Tennessee:

Managerial Requirements:

Provide the following managerial information of the Applicant:

1. Degrees: (BS, BA, MBA, etc.) accounting, engineering, etc.
2. Professional licenses: CPA, etc.

Technical Requirements:

Provide the following technical information of the Applicant:

1. Geographic area of coverage: Nashville, Memphis, Knoxville, entire state, etc. Specify which areas will be excluded.
2. Location of switches-i.e., cities.
3. Type of equipment: DMS-100 or 5ESS, etc. Fiber Rings, etc.
4. State if there are any special CPE (Customer Premise Equipment) requirements that would not be compatible with the network of the incumbent carrier.

Financial Requirements:

Provide the following financial information of the Applicant:

1. Most recent audited financial statements (Balance Sheet, Income Statement, and Statement of Cash Flows).
2. Three year projected financial statements prepared according to GAAP (Balance Sheet, Income Statement, and Statement of Cash Flows).
3. Three year capital expenditures budget which includes equipment to be deployed; cost of equipment and sources of funding the Tennessee network, equipment, and UNEs: cash, loan commitments, vendor credits, letters of credit, etc. (complete detail).
4. Please quantify amounts, if any, included in financial statements and projections relating to reciprocal compensation for terminating ISP traffic.
5. TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of

public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, §65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. **Provide a statement outlining the Applicant's intent to abide by TCA §65-4-125 and provide a corporate surety bond by September 1, 2000 if applicable.**

TRA Rules for Local Telecommunications Providers:

Applicant should serve notice of its application on the eighteen- (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. Provide a list of the ILECs the Company served notice of its application.

Toll Dialing Parity Plan for Applicants Providing Voice Grade Service:

If the applicant does not intend to provide voice grade service, this does not apply. However, if the applicant chooses at some point in the future to provide voice grade service, they must file an appropriate toll dialing parity plan for TRA consideration at least 60 days prior to offering voice grade service. If the applicant offers Voice Grade Service, then a Toll Dialing Parity plan shall be filed with the application. Consistent with FCC Docket 96-98. Please provide the following information relating to your IntraLATA Toll Dialing Parity Plan:

1. State whether a PIC change charge waiver period is proposed and for how long?
2. Include anti-slamming procedures.
3. Include statements concerning nondiscriminatory access to telephone numbers, operator services, directory services, directory assistance, and directory listings.

Tennessee Specific Operational Issues

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

1. How does the company intend to comply with TCA §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.
2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?
3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?
4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.
5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.
6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* and Chapter 1220-4-11?

Miscellaneous Requirements:

Provide the following miscellaneous requirements:

1. Sworn pre-filed testimony is needed for CLEC applications. This testimony should describe the services to be provided, the applicant's technical, managerial, and financial abilities to provide the services and affirm that all information submitted is true and correct.
2. Tariff should be filed subsequent to applications approval and before commencing operations (tariffs filed with application are informational only, not official filings)
3. Applicants involvement in pertinent mergers, acquisitions, etc?

4. Are customer deposits required? If so, what amount is required? Is the applicant bonded for the amount of the deposits?
5. Tariff should be filed subsequent to applications approval and before commencing operations (tariffs filed with application are informational only, not official filings)
6. Applicants involvement in pertinent mergers, acquisitions, etc.?
7. Identify all complaints filed with state and federal regulatory agencies involving your company or affiliated entities. Identify the nature of the complaint, which governmental agency or office received the complaint, how was the complaint resolved?
8. Please state if the applicant plans to offer services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

Please submit the requested information by August 25, 2000. If you have any questions, please contact this office at (615) 741-2904 (ext. 132).

Sincerely,



David Waddell
Executive Secretary

C: Docket File
 Joe Werner
 Darlene Standley
 Carsie Mundy

TENNESSEE REGULATORY AUTHORITY



Date: 8/4/00

Transmitting: 4 Page(s)

To: Michael Hazzard

Company: Valer Telec.

Phone: _____

Fax: 202/955-9792

From: Darrell Whites

Division: T RA

Phone: 615/741-2904 (132)

Fax: _____

Comments: _____

Mission Statement:

The mission of the Tennessee Regulatory Authority is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment.